

LOUIS GILBERT & ASSOCIATES, INC.

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April 10, 2002

Honorable Felix J. Boudreaux
Commissioner of Conservation
P.O. Box 94275, Capitol Station
Baton Rouge, Louisiana 70804-9275

RE: Application Notice
10,900' Sand, Reservoir C
Kings Ridge Field
Lafourche Parish, Louisiana

Dear Sir:

McRae Exploration & Production, Inc. ("Applicant") hereby makes application to the Commissioner of Conservation for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the 10,900 Sand, Reservoir C in the Kings Ridge Field, Lafourche Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the 10,900' Sand, Reservoir C.
2. To create a single drilling and production unit for the exploration for and production of gas and condensate.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation.
4. To designate a unit operator and a unit well for the unit so created.
5. To provide that any future replacement or alternate unit wells drilled to the 10,900' Sand, Reservoir C, should be exempt from the spacing provisions of Statewide Order No. 29-E.
6. To provide that the Commissioner of Conservation should be authorized to reclassify the reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
7. To consider such other matters as may be pertinent.

The 10,900' Sand is hereby defined as being that gas and condensate bearing sand encountered between the depths of 10,944 feet and 11,148 feet (electrical log measurements) in the McRae - Robert E. Bauer, Jr. No. 1 Well,

located in Section 17, Township 19 South, Range 23 East, Lafourche Parish, Louisiana.

A timely request for the conference tentatively scheduled in the pre-application notice dated March 27, 2002 was not received and therefore the conference will not be held.

All pertinent data relating to the subject application is available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana 70002. Any person wishing to inspect such data should contact the undersigned at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is not otherwise available from the Office of Conservation can be obtained at the expense of the requesting party.

There is attached hereto and made a part hereof, a plat outlining the proposed unit and a list of names and addresses of the Interested Parties, Interested Owners and Represented Parties to whom this notice is being sent. Pursuant to the Revised Rules of Procedure, such list of Parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. The aforementioned list is available upon request to any Interested Party. A reasonable effort was made to ascertain the names and addresses of all Interested Parties, Interested Owners and Represented Parties as required by the Revised Rules of Procedure.

There is enclosed herewith on behalf of the Applicant a check made payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,
LOUIS GILBERT & ASSOCIATES, INC.



Louis F. Gilbert

cc: Mr. Richard Hudson (w/enclosures)
Office of Conservation
825 Kaliste Saloom Rd
Brandywine III, Suite 220
Lafayette, Louisiana 70505

Mr. Mike Nall (w/enclosures)
McRae Exploration & Production Company

Interested Parties, Interested Owners
and Represented Parties (w/plat)

